

**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT

OF

COUNTY SHERIFF

JEFFERSON COUNTY, INDIANA

January 1, 2005 to December 31, 2005



FILED
03/16/2007

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	Charles W. Andrews	01-01-03 to 12-31-10
President of the County Council	Jacob Kloepper David J. Craig	01-01-05 to 12-31-05 01-01-06 to 12-31-07
President of the Board of County Commissioners	Michael Frazier Julie Berry	01-01-05 to 12-31-06 01-01-07 to 12-31-07



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF JEFFERSON COUNTY

We have examined the records of the County Sheriff for the period from January 1, 2005 to December 31, 2005, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Examination Results and Comments. The financial transactions of this office are reflected in the Examination Report of Jefferson County for the year 2005.

STATE BOARD OF ACCOUNTS

February 12, 2007

COUNTY SHERIFF
JEFFERSON COUNTY
EXAMINATION RESULTS AND COMMENTS

INMATE TRUST RECEIPTS - INTERNAL CONTROLS

We found the following deficiencies regarding the receipting and depositing of monies received from inmates:

- (1) There were instances of deposits made to the inmate trust bank account without a corresponding receipt or receipts to identify the source of the monies.
- (2) There were instances of inmate trust receipts issued for cash bonds received without a corresponding deposits to the inmate trust's bank account. However, another receipt was also issued from another receipt book used for regular Sheriff Department collections that corresponded to the deposit made in the regular Sheriff's Department's bank account. This procedure resulted in two receipts being issued for the same collection.

We also found one instance of an inmate trust receipt issued for \$735. The money from the receipt was paid directly to a bail bondsman rather than deposited.

- (3) Cash received from an inmate either upon intake of the inmate or during the inmate's incarceration is put in an envelope that shows the inmate's name, the amount received and the purpose for which the money was received. Subsequently, the Bookkeeper and a Jail Officer count the cash in each envelope to determine if the amount agrees with the amount written on the outside of the envelope. However, no reconciliation is performed between the cash in the envelopes and the inmate trust receipts that were issued.
- (4) There were several instances when cash received from an inmate would be used to purchase a commissary debit card on behalf of the inmate directly from the money received. For these instances, inmate trust receipts were issued, however, there were no corresponding deposits to the inmate trust bank account. In a two month period in 2005, there were inmate trust receipts totaling \$300 for which there were no corresponding bank deposits. We brought this to the attention of Sheriff Department officials who were able to find documentation that at least \$143 was used to purchase debit commissary cards from the County's commissary vendor.

Inmate trust receipts did not always agree with corresponding bank deposits due to procedures described above.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

Disbursements, other than proper petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by statute, federal or state rule. (Accounting and Uniform Compliance Guidelines Manual for Counties in Indiana, Chapter 1)

COUNTY SHERIFF
JEFFERSON COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

CONDITION OF RECORDS - INMATE TRUST FUND

The following deficiencies relating to the recordkeeping of the Inmate Trust Fund were present during our period of examination:

- (1) The monthly record balances were not properly reconciled to depository balances for the year 2005.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

- (2) There were a number of mathematical and posting errors in the Inmate Trust Control Ledger. These errors included reconciling items from the 2004 audit that have not been corrected, receipts recorded in the control but not totaled in the balance, check amounts recorded incorrectly in the control, duplicate postings, and attempted corrections made incorrectly.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Counties in Indiana, Chapter 1)

- (3) As of December 31, 2005, the detail records of the Inmate Trust Fund did not reconcile with the Inmate Trust Control Ledger. After making adjustments of errors found in the Inmate Trust Control Ledger, the Control Ledger was \$210.55 more than the detail records of the Inmate Trust Fund.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Counties in Indiana, Chapter 1)

COUNTY SHERIFF
JEFFERSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 12, 2007, with Charles W. Andrews, Sheriff; and Ken Baker, Jail Commander. The officials concurred with our findings.